



Sunshine Coast RDA

Report on matters raised in a letter of resignation
September 2011

Background

On September 2 2011 Cr Lew Brennan tendered his resignation as a Committee member of the Sunshine Coast Regional Development Committee (see Attachment 1).

The letter made several allegations against the Chair of the Sunshine Coast RDA, Cr Blumel, namely:

1. Concerns over the Chair's manner
2. That the Chair is undertaking activities outside of the role of the Chair
3. That the Chair is politicising issues
4. That the Chair is taking personal political advantage of the position as Chair of the RDA
5. That the Chair is taking personal political advantage of the 'project budget', and
6. Concerns over the 'excessive workload imposed' on staff of the RDA by the Chair.

A copy of the letter was forwarded to The Department of Regional Australia, and on 6 September 2011 the Department contracted Michael Lockwood to prepare a report on Cr Brennan's allegations. Acting Assistant Secretary, Ms Judy Jenkins, advised Cr Blumel of the Department's course of action (see Attachment 2).

Over the period of 7 to 16 September, Mr. Lockwood interviewed Cr Brennan, Cr Blumel and other executive members of the RDA (Mr. Graham, Ms Harmer, Mr. Farrell) and the RDA Executive Officer Mr. Russell Mason. Mr. Lockwood also attended a meeting of the RDA Committee and reviewed copies of RDA papers. This report is the result of that activity.

Matters of substance

The first and second of the six issues raised in Cr Brennan's letter, concerns over the "Chairperson's manner" and undertaking activities outside the role of the Chair, are not issues of substance for the Department to investigate or comment on. It is common in many organizations for disputes to arise over different understandings of the role of Chair, as well as differences over individual personalities. In the absence of an explicit breach of funding conditions, the comments on the Chair's manner and the role of the Chair are seen as general comments and not allegations of misdoings.

The remainder of Cr Brennan's allegations, if substantiated, would potentially constitute a breach of the guidelines for RDAs.

Section 7 of the RDA Handbook (see Attachment 3) comments that:

...all levels of government expect that RDA committees will ensure that their operations remain apolitical at all times. RDA committees should be particularly alert to incidents that may compromise the apolitical nature of the RDA committee's operations leading into a Federal, state, territory or local government election.

Section 7.7.2 states that:

Public comment on political and social issues must not be made by the Chair, Deputy Chair, committee member or employee on behalf of the RDA committee. In this context, public comment includes comments made on political and social issues as part of public speaking engagements, radio and television interviews, letters to the press, publications on the RDA committee

website, booklets and notices, and in other circumstances, where it is reasonably foreseeable that the comment will flow to the community.

And at 7.7.8:

RDA committee assets and premises must not be utilised for political purposes. This includes producing or disseminating political material using RDA equipment or resources, for example photocopiers, fax machines and office supplies. Political material should not be put on the RDA committee's website and requests from political candidate to visit RDA committee premises for electioneering purposes should be declined. Political meetings must not be held on RDA committee premises.

Cr Brennan's concerns that the Chair 'is politicising issues', and is taking personal political advantage of both the position of Chair and the RDA's budget would clearly be a breach, if established, of the above requirements. Further, the concern expressed about staff workloads would also be a breach if it was related to workload issues arising from the use of RDA resources for political purposes.

Following interviews with the RDA executive, Cr Brennan and the EO Mr. Russell Mason; as well as a review of the paperwork of the RDA and attendance at a meeting of the RDA Board, the essence of the concerns appear to come down to three issues:

- The risk of a perception of political advantage arising from the RDA's work on the Accord
 - The risk of a perception of politicization of issues arising from a lack of clarity arising over invitations to speak at a recent forum on Major Projects within the region, and
 - Serious staffing issues within the RDA.
- This report will conclude that there are systemic problems of governance at the heart of these risks, and that these need to be managed as a matter of priority.

Political advantage and the Accord

When asked to identify specific examples where Cr Blumel had gained political advantage from her role as Chair, the one example that was given was the RDA's work on the Accord. The Accord is a region-wide exercise aimed at bringing together industry, business and community leaders to promote regional prosperity.

The contention that Cr Blumel benefits politically is premised on the assumption that she intends to run for Mayor in 2012, and that the development of the Accord affords her regional coverage.

However, as Cr Blumel has noted, she has not declared her intention to contest the election as a Mayoral candidate. As well, the Accord project was announced in November 2010 and is noted in the RDA Business Plan (item 5.2.7). As everyone who was interviewed commented, the Accord is core business to the work of the RDA.

As Cr Blumel has noted in the course of preparing this report, there may be some political advantage to her in the role of the Chair of the RDA, as there is political risk. Accruing political advantage as a by-product of one's role as the Chair does not in itself seem to be in conflict with the RDA Handbook. Nevertheless there has clearly been some risk of a perception of political advantage, and as will be discussed later the basis of this concern has probably been problems of governance.

Politicization and the Major Projects forum

In line with its Business Plan, the RDA was instrumental in bringing together some 300 people in the week beginning 12 September to attend a workshop on business and job opportunities arising from major projects being rolled out across the Sunshine Coast region by state and local government agencies.

In the development of this workshop agreement was apparently reached that an organization with significant capital works would present at the workshop. Different versions of events have been presented by different people interviewed – however it is agreed that this organization was then advised that it was no longer able to present at the workshop. The claim has been made that Cr Blumel was instrumental in this decision, and that she acted out of political motive. Cr Blumel refutes this claim, and cites that she did not have the mandate to decide on who would or would not speak at the workshop.

For the purpose of this report it is assumed that everyone acted in good faith and no conclusion is reached as to who made the decision to invite or withdraw an invitation to speak at the workshop, nor is there any conclusion as to the motives of the decision maker. The underlying concern is that there remains the risk of a perception of politicization arising, as Cr Blumel noted during an interview for this report, from a failure of project governance. Had the necessary controls been in place in developing this project, then the risk of this perception of politicization would not have arisen. This issue is returned to in the recommendations.

Serious staffing issues

In the course of preparing this report at least one staff member stated that they were unable to attend the workplace, another was on sick leave (possibly for reasons associated with purported workplace stress), and another indicated their desire not to attend the workplace. Several Committee members interviewed, including Cr Blumel, expressed concern over aspects of staffing, including a lack of clarity within the Board over staff deliverables and performance issues for specific staff. The Board did not seem to have a clear understanding of the formal mechanisms available to it for managing staff performance issues, and where formal mechanisms existed it is apparent that they were not always followed.

While a number of Board members raised some concerns about staff performance, they all agreed that there had been no performance management implemented. Indeed, the only formal process for staff performance assessment, a review of the EO several months ago, found that there were no staff performance issues. Further, people interviewed expressed differing views on who was responsible for staff appointments, staff supervision and performance management.

Inevitably personal preferences and political associations will influence the nature of personal relationships within the workplace and between staff and their Board. In the absence of good governance, these individual preferences may be seen to dominate decision making processes, exposing the RDA to further censure for perceived politicization.

Findings and recommendations

There is no evidence that Cr Blumel intentionally sought political advantage from either her position as Chair or from her influence over the RDA budget. Nor is there any evidence that Cr Blumel intentionally politicized issues in her role as the Chair.

It is apparent that the risk of a perception of politicization and political advantage are real, and some stakeholders have reached these perceptions. Whether these

perceptions are grounded in fact is irrelevant – there is a clear expectation by the Government of Australia that the RDAs be seen as apolitical.

Several people interviewed noted the advantages to the RDA of a politically astute and active Chair, hence the challenge is to manage the risks of perceived advantage.

To this end the RDA should:

1. Review its decision making process for agreeing on RDA priorities so as to ensure that risks of perceived political advantage are noted and risk management mechanisms put in place.
2. Review its media policy to ensure that public comment by the RDA is in line with the RDA Handbook requirements, and any risk of the perception of political advantage is known and managed.
3. Review project governance practices to identify risks of a perception of political advantage, and ensuring that these risks are managed.

There is no evidence that the Chair has imposed an unreasonable workload on the RDA staff. However it is apparent that there are serious staffing issues within the RDA and, to some extent, these arise from poor staff management practices. Confusion over staff appointment, staff supervision and performance management are a major risk to good employment practices, and the RDA needs to improve its performance in this regard. Critically, this needs to be done with the Board as a whole taking responsibility and with an explicit understanding of the strained personal relationships that have emerged between some within the RDA.

The RDA should:

4. Review its current staff management practices as a matter of priority, and in doing so
5. Acknowledge that there are strained personal relationships that have emerged between some within the RDA, and ensure that the process for development of revised management practices take these into account.

Michael Lockwood
28 September 2011

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1. Attachment 1: Copy of Cr Brennan's resignation letter

**Sunshine Coast
Council**

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Councillors' Office

ECM
LB/ah

2 September 2011

Russell Mason
Executive Director
Regional Development Australia Sunshine Coast Inc
PO Box 6093
Maroochydore Qld 4556

Dear Russell,

I wish to submit my resignation from the Regional Development Australia Sunshine Coast Committee, effective immediately. I have come to this position due to my serious concerns with the chairmanship of the Committee and would like to formally advise RDA Australia of these concerns.

Given my experience in being a member of numerous committees and companies over many years, I am gravely concerned with the Chairperson's manner and believe that the Chair is undertaking activities well outside of the scope of the Chairperson's role. I am concerned that the Chair is politicising issues and is taking personal political advantage of the position and the project budget in her efforts to self promote. Clearly this is outside of RDA principles.

Further, I have concerns for RDA staff due to the excessive workload imposed on them by the current Chair. I have previously brought this to the attention of the Chair however I don't believe there has been any significant effort to address the situation.

I find that due to my lack of confidence in the Chairperson I will no longer be able to participate on the RDA Sunshine Coast Committee in a positive and proactive way.

Yours faithfully



Cr Lew Brennan FAICD MLM

Attachment 2: Copy of Letter from Judy Jenkins, Ag/Assistant Secretary to Cr Debbie Blumel



Reference: 11/2121

Ag Assistant Secretary

Cr Debbie Blumel
Chair
Regional Development Australia Sunshine Coast Committee
PO Box 6093
MAROOCHYDOOR QLD 4558

Dear Cr Blumel

On Friday 2 September 2011 Cr Lew Brennan emailed a copy of a letter announcing his resignation from the Committee of Regional Development Australia Sunshine Coast (RDASC) to Mr Tony Carmichael and Ms Barbara Wheeler. The letter was addressed to the Executive Officer, Mr Russell Mason.

In his letter Cr Brennan raised concerns about operational aspects of the Committee and your performance as the RDA Chair. I understand you are aware of Cr Brennan's letter. As Cr Brennan's claims have potential to negatively impact the RDASC Committee's profile in the region the Department would like to better understand the circumstances that have contributed to Cr Brennan's actions and we would like to support you and your Committee to resolve this matter.

To this end I have asked Mr Michael Lockwood to meet with you and the Committee Executive, Executive Officer and also Cr Brennan. Mr Lockwood will prepare a report on these discussions which we will make available to you and the RDA Committee.

Mr Lockwood will call to arrange a convenient time to discuss this matter and I will advise Mr Graham, Ms Harmer, Mr Farrell, Cr Brennan and Mr Mason of Mr Lockwood's desire to meet with them. If you would like to discuss this approach please call Ms Barbara Wheeler on 02 6274 7624, barbara.wheeler@regional.gov.au or Mr Lockwood on 0425 44 2008.

Yours sincerely

Judy Jenkins
A/g Assistant Secretary
September 2011

Attachment 3: Extract from RDA Handbook guidance on politicisation of the RDA work

SECTION 7 – POLITICAL PARTICIPATION

7.1 CONTESTING ELECTIONS AND POLITICAL PARTICIPATION

The Australian Government acknowledges the involvement of RDA committee Chairs, Deputy Chairs, members and employees in community organisations and institutions, such as service clubs, Chambers of Commerce and local government.

However, all levels of government expect that RDA committees will ensure that their operations remain apolitical at all times. RDA committees should be particularly alert to incidents that may compromise the apolitical nature of the RDA committee's operations leading into a Federal, state, territory or local government election.

7.7.1 Campaigning by RDA Chairs, Members and Employees

Where RDA Chairs, Deputy Chairs, members or employees are playing a significant part in a political campaign there is potential for a perceived or actual conflict of interest between issues raised in the campaign and their involvement with the RDA committee. Significant political campaigning includes, but is not limited to:

- running as a candidate in an election for an Australian or state/territory public office;
- acting as a Campaign Director, or similar, for a candidate in an election for an Australian or state/territory public office; or
- providing full-time, or substantial part-time (over 15 hours per week), administrative or other support to a candidate in an election for an Australian or state/territory public office.

It may also be difficult for individuals who are involved in campaigning to maintain their commitment as an RDA Chair, Deputy Chair or member. Therefore RDA Chairs, Deputy Chair, members or employees who are involved in or who are playing a significant part in a political campaign must stand aside for the duration of the campaign, from the date that the election is announced until such time as the caretaker conventions enacted during the election period cease to be in force (caretaker conventions begin when Parliament is dissolved and end when the result of the election is clear, or if there is a change of government, when the new government is appointed).

Where this circumstance arises the individual must advise the committee in writing. Each RDA committee, must then write to the Department to confirm the date that a Chair, Deputy Chair, member (or members) and/or employee (or employees) has or have stood aside. Advice on alternative arrangements for employees must be communicated to the Department.

Where a Chair is aware that an executive committee position may become temporarily vacated due to this provision, the Chair may offer a replacement at that time.

When taking part in any political campaigning, RDA Chairs, Deputy Chairs, members and employees must avoid creating the impression that they are representing the RDA. For example by wearing clothing or badges that feature the RDA name, logo, the RDA network logo or that introduce themselves as a Chair, Deputy Chair, member or employee of the RDA.

7.7.2 Public Comment on Political and Social Issues

Public comment on political and social issues must not be made by the Chair, Deputy Chair, committee member or employee on behalf of the RDA committee. In this context, public comment includes comments made on political and social issues as part of public speaking engagements, radio and television interviews, letters to the press, publications on the RDA committee website, booklets and notices, and in other circumstances, where it is reasonably foreseeable that the comment will flow to the community.

RDA Chairs, Deputy Chairs, members and employees must be aware that there is tension between comments made in a personal capacity and in their capacity as a representative of an RDA committee. Chairs, Deputy Chairs, members and Executive Officers should give careful consideration to the impact, by virtue of their position, of any public comments they make. In particular, RDA Chairs, Deputy Chairs, members and employees should avoid any action or public comments in their role as a representative of RDA that implies a particular party will be successful at an upcoming election or that the RDA prefers or supports the policies of a particular political party. They must ensure that comments made by them are expressed as personal opinion and do not represent the RDA committee.

7.7.3 Launches, seminars or other public events

RDA committee launches, seminars or other public events that may take place during the caretaker period should avoid hosting Ministers, other politicians or local government representatives. Flyers, speeches or media releases about the event must be apolitical.

RDA committees must also take steps to address a situation where a politician has been invited to a public event prior to the caretaker period, and the event takes place during the caretaker period. This may involve cancelling the invitation, deferring the event or inviting representatives of other parties that could form government.

7.7.4 Information campaigns and promotional activities

Some information and promotional campaigns related to government programs and initiatives may need to be suspended or curtailed depending on the nature of the campaign and whether they are likely to affect voting in an election. Caution needs to be exercised that materials to be used on RDA websites are not political material and printed material produced and distributed by RDAs is not electoral matter (that is, a matter which is intended or likely to affect voting in an election). Information that is of a political nature must not be added to websites or included in RDA printed material.

Events, items on websites and newsletter articles which highlight the role of particular Ministers or local government representatives or which address issues which are controversial between the major political parties should be discontinued in the caretaker period.

7.7.5 Provision of information

During the caretaker period, an RDA Chair, Deputy Chair, member or employee must not give any member of any political party information that may be used for political advantage.

7.7.6 Fund raising events

RDA committees are apolitical and should not, at any time (caretaker period or otherwise) contribute funds or resources towards any political party, political candidate or local government candidate. This is either directly through a donation or attendance at or contribution to fund raising events. This is regardless of whether

the funds utilised are Commonwealth monies or from other sources, as members of the public are unable to discern the source of funds and RDAs are clearly branded as a government initiative.

The provision of equal contributions to all parties is not an acceptable use of committee funds and clearly not an RDA activity.

Committee Chairs, Deputy Chairs, members or employees may make a contribution to a campaign in a personal capacity but not from RDA committee funds.

7.7.7 Advertising

RDA committees can advertise consultation meetings in the press, where such advertisements relate to their usual business. The RDA logo and the Australian logo (crest logo only) can be used. The Australian crest logo should be used without tag lines such as a “government initiative”.

7.7.8 RDA facilities must not be used for political purposes

RDA committee assets and premises must not be utilised for political purposes. This includes producing or disseminating political material using RDA equipment or resources, for example photocopiers, fax machines and office supplies. Political material should not be put on the RDA committee’s website and requests from political candidate to visit RDA committee premises for electioneering purposes should be declined. Political meetings must not be held on RDA committee premises.

7.7.9 Display of political material

Display of political material including posters, leaflets and badges is not permitted on RDA committee premises or on the RDA committee website.

7.7.10 Practical application of the Pre-Election Guidelines to the operations of RDAs

When the Australian Government assumes its caretaker role, the Department of Prime Minister and Cabinet normally issued the “Guidance on Caretaker Conventions” which will apply during the caretaker period and is available on its website. Several of these conventions apply to the operations of RDA committees, and assist in the maintenance of the RDA committee’s apolitical status during the pre-election time.

As the employer of the EO and other staff, the RDA committee needs to develop a policy, and/or operational arrangements that reflects these guidelines, and which sets out actions to be taken when a member of the committee, Executive Officer or other employee is significantly involved in election campaigning.